

**Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City**

**NINETEENTH CONGRESS
First Regular Session**

House Bill No. 220



**Introduced by Representatives
MIKAELA ANGELA B. SUANSING and HORACIO P. SUANSING, JR.**

**AN ACT
IMPOSING EXCISE TAX ON PLASTIC BAGS, THEREBY ADDING A NEW
SECTION, DESIGNATED AS SECTION 150-C, IN THE NATIONAL INTERNAL
REVENUE CODE OF 1997, AS AMENDED**

EXPLANATORY NOTE

The use of plastic bags as means of transporting fresh produce, meat, clothing, and other consumption goods has become customary in the conduct of trade not only in the Philippines, but in other countries as well. With their relatively low cost, versatility and durability, it is no surprise that millions of citizens worldwide opt to utilize plastics. According to the United Nations, about four (4) to five (5) trillion plastic bags are used annually for personal and commercial purposes.¹

However, this mass consumption of plastics, most of which are single-use, has had significant detrimental effects on the environment. Among the four to five trillion plastic bags that are used each year, billions of bags end up as litter in bodies of water. Given the toxicity of plastic substances especially when ingested by humans and animals, these inland and water waste in our oceans pose a grave threat to the very existence of ecosystems and the species that populate them. It has been documented that plastic marine debris harm approximately 267 different species including sea turtles, dolphins, and whales, through entanglement and ingestion of plastics. It has also been estimated that over 400,000 marine animals die annually due to plastic pollution in our oceans.²

On the other hand, humans are constantly exposed to possible carcinogenic chemicals that are used in the production of plastics, such as Bisphenol A (BPA). In most recent studies, it is emphasized that this specific chemical can potentially be related to disruptions in gene expression, thereby affecting the biological functions related to the body's metabolism and development, as well as disruptions in fertility and sexual maturation.³

¹ Beat Plastic Pollution. Retrieved from <https://www.unenvironment.org/interactive/beat-plastic-pollution/>

² Le Guern, C. (2018, March). When the Mermaids Cry: The Great Plastic Tide. Retrieved June 28, 2019, from <http://plastic-pollution.org>.

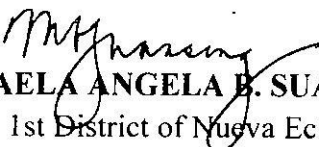
³ Mathieu-Denoncourt, Justine; Wallace, Sarah J.; de Solla, Shane R.; Langlois, Valerie S. (2014, November). "Plasticizer endocrine disruption: Highlighting developmental and reproductive effects in mammals and non-

To reduce its costly environmental impact, several countries have already imposed taxes on the use of plastic bags, while others have even gone so far as to implement a total ban. Cities in the United States, namely Washington D.C., San Francisco, CA, and Seattle, WA, have dramatically reduced plastic pollution as a result of implementing taxes on plastic bags, curbing plastic consumption by 85 percent, 72 percent and 78 percent, respectively.⁴ Canada has also adopted waste-reducing policies, particularly the ban on plastic straws and on the distribution of polystyrene foam cups and containers. Other countries such as India, Kenya, United Kingdom, Australia and China have also enacted laws banning the use of plastic bags.⁵

Despite the enactment of Republic Act No. 9003, or the Ecological Solid Waste Management Act of 2001, the Philippines still remains as one of the countries with the highest amount of plastic bag waste ending up in oceans.⁶ Based on the data from the Ocean Conservancy, the country generates about 2.7 million metric tons of plastic waste and half a million metric tons of plastic-waste leakage each year.⁷ Aside from the short- and long-term consequences of plastic use in the environment and the health of humans and animals alike, the mass consumption of plastics in the Philippines further magnifies the flooding problem that Filipinos endure, especially during the typhoon season.

Given these alarming concerns, it is therefore necessary that the Congress finally address the environmental and human costs brought about by the proliferation of plastic bag waste. As such, this bill seeks to impose a ₱20.00 excise tax per kilogram on plastic bags. By imposing this levy, all stakeholders will be encouraged to explore and utilize environment-friendly alternatives to single-use plastic bags given its detrimental effects on the individual. Furthermore, this proposed measure aims to generate additional revenue for the government, which shall be used exclusively for the implementation of the solid waste management plans of local government units. This may include the acquisition of land for the construction and operation of sanitary landfills, pursuant to Republic Act No. 9003, otherwise known as the “Ecological Solid Waste Management Act of 2000”.

This measure was already approved on the Third and Final Reading during the 18th Congress. As such, the immediate approval of this bill is earnestly sought.


MIKAELA ANGELA B. SUANSING
1st District of Nueva Ecija


HORACIO P. SUANSING, JR.
2nd District of Sultan Kudarat

mammalian aquatic species”. General and Comparative Endocrinology. Retrieved June 28, 2019, from <https://doi.org/10.1016/j.ygcen.2014.11.003>.

⁴ 10 Cities and Countries Confronting Plastic Bag Pollution Head-On. Retrieved from <https://www.earthday.org/2018/04/20/10-cities-and-countries-confronting-plastic-bag-pollution-head-on/>

⁵ Ibid.

⁶ 2018 World Environment Day: Philippines Wages War vs Plastic Waste. Retrieved from <http://environews.ph/waste/2018-world-environment-day-philippines-wages-war-vs-plastic-waste/>

⁷ Ibid.

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SECTION, DESIGNATED AS SECTION 150-C, IN THE NATIONAL INTERNAL
REVENUE CODE OF 1997, AS AMENDED

Be it enacted by the Senate and the House of Representatives of the Philippines in Congress assembled:

- 1 **SECTION 1. *Short Title.*** – This Act shall be known as the “Plastic Bags Tax Act.”
- 2 **SEC. 2. *Declaration of Policy.*** – It is hereby declared the policy of the State to protect and
3 advance the right of the people to a balanced and healthful ecology in accord with the rhythm
4 and harmony of nature through the proper exercise of its power of taxation.
- 5 **SEC. 3.** A new section designated as Section 150-C of the National Internal Revenue Code of
6 1997, as amended, is hereby added to read as follows:
- 7 “SEC. 150-C. PLASTIC BAGS. –
- 8 (A) **RATE AND BASE OF TAX.** – THERE SHALL BE LEVIED, ASSESSED, AND
9 COLLECTED AN EXCISE TAX IN THE AMOUNT OF TWENTY PESOS (PHP20.00) FOR
10 EVERY KILOGRAM OF PLASTIC BAG REMOVED FROM THE PLACE OF
11 PRODUCTION OR RELEASED FROM THE CUSTODY OF THE BUREAU OF
12 CUSTOMS.
- 13 PLASTIC BAGS SHALL REFER TO SECONDARY LEVEL PLASTICS MADE OF
14 SYNTHETIC OR SEMISYNTHETIC ORGANIC POLYMER, COMMONLY KNOWN AS
15 “LABO” OR “SANDO” BAGS, WITH OR WITHOUT HANDLE, USED AS PACKAGING
16 FOR GOODS OR PRODUCTS.
- 17 (B) **FILING OF RETURN AND PAYMENT OF EXCISE TAX ON PLASTIC BAGS.** – THE
18 PROVISIONS OF SECTIONS 130 AND 131 OF THE NATIONAL INTERNAL REVENUE
19 CODE OF 1997, AS AMENDED, ON THE FILING OF RETURN AND PAYMENT OF
20 EXCISE TAX SHALL APPLY.
- 21 (C) **NON-PAYMENT OF EXCISE TAX – NON-PAYMENT OF THE EXCISE TAX**
22 **IMPOSED UNDER THIS ACT SHALL BE SUBJECT TO THE PERTINENT PROVISIONS**
23 **UNDER TITLES VIII AND X OF THE NATIONAL INTERNAL REVENUE CODE OF**

1 1997, AS AMENDED, REGARDING COLLECTION OF UNPAID TAXES AND
2 IMPOSITION OF CORRESPONDING FINES, SURCHARGES, PENALTIES, AND
3 IMPRISONMENT OR CLOSURE OF BUSINESS.”

4 **SEC. 4.** Section 288 of the National Internal Revenue Code of 1997, as amended, is hereby
5 further amended to read as follows:

6 “SEC. 288. Disposition of Incremental AND OTHER Revenues. –

7 (A) xxx

8 (B) xxx

9 (C) xxx

10 (D) xxx

11 (E) xxx

12 (F) xxx

13 (G) REVENUES FROM THE EXCISE TAX ON PLASTIC BAG. –

14 ONE HUNDRED PERCENT (100%) OF THE REVENUES COLLECTED FROM THE
15 EXCISE TAX ON PLASTIC BAGS SHALL BE ALLOCATED AND USED
16 EXCLUSIVELY FOR THE IMPLEMENTATION OF THE SOLID WASTE
17 MANAGEMENT PLANS OF LOCAL GOVERNMENT UNITS, WHICH MAY INCLUDE
18 THE ACQUISITION OF LAND FOR THE CONSTRUCTION AND OPERATION OF
19 SANITARY LANDFILLS, PURSUANT TO REPUBLIC ACT NO. 9003, OTHERWISE
20 KNOWN AS THE ‘ECOLOGICAL SOLID WASTE MANAGEMENT ACT OF 2000’.”

21 **SEC. 5. *Implementing Rules and Regulations.*** – Within sixty (60) days from the effectivity
22 of this Act, the Secretary of Finance shall, upon the recommendation of the Commissioners of
23 the Bureau of Internal Revenue and the Bureau of Customs and, in consultation with the
24 Department of Environment and Natural Resources, issue and promulgate the necessary rules
25 and regulations for the effective implementation of this Act.

26 **SEC. 6. *Separability Clause.*** – If any provision of this Act shall be held unconstitutional or
27 invalid, the other provisions not otherwise affected shall remain in full force and effect.

28 **SEC. 7. *Repealing Clause.*** – All laws, decrees, executive orders, rules, and regulations or parts
29 hereof which are contrary to or inconsistent with any provision of this Act are hereby repealed,
30 modified, or amended accordingly.

31 **SEC. 8. *Effectivity.*** – This Act shall take effect fifteen (15) days after its publication either in
32 the *Official Gazette* or in at least one (1) newspaper of general circulation.

33 Approved,